

**From:** Jacob Trimble [mailto:JT@planning.org]  
**Sent:** Wednesday, January 08, 2014 3:43 PM  
**To:** Judy Daniel  
**Subject:** PAS Inquiry Response -- Short Term Rentals



**American Planning Association**

*Making Great Communities Happen*

Judy,

In regards to your inquiry concerning short-term rentals:

Communities use a number of different terms to describe short-term rentals of residential properties. Some common terms include *short-term dwelling units*, *vacation rentals*, *transient lodging*, *short-term rentals*, *resort dwelling*, and *short-term housing*.

Such rentals can potentially create a variety of problems. Typically, vacationers exhibit a higher intensity of activities (such as car trips, late-night noise and light, and trash generation) than do long-term residents. These impacts can be more problematic for very short-term renters (e.g., one family renting a property for a month tends to cause fewer "externalities" than four families each renting for a week).

Because traditional vacation rentals tend to attract large numbers of people, they may require large numbers of vehicles, either requiring paved yards or creating parking shortages in the area. Moreover, permitting short-term vacation rentals can lead to escalation in area home prices which may encourage speculative investors to purchase properties while creating conditions that are inhospitable to permanent residents.

Most communities that address short-term rentals directly through licensing or zoning requirements are resort towns with tourist-dependent economies. Consequently, these places often prefer to mitigate the impacts of short term rentals rather than banning them altogether. Specific standards for short-term rentals often require property owners to obtain short-term rental permits, set a minimum duration for rentals, and set a maximum occupancy for rental units.

The proliferation of sites such as AirBNB, VRBO, FlipKey, and others has very recently brought this topic to the fore in communities not normally associated with short-term rental needs. Short term rentals which had once been relegated to commercial zones or special districts are now proliferating in residential zones, including single family zones. Just since October 2013 I found stories from New York City; Ashland, Oregon; Lenox, Massachusetts; San Luis Obispo, California; Grand Rapids, Michigan; Jackson, Wyoming; Palm Springs, California; and several other places that are grappling with this issue. In Jackson, the mayor is seeking to crack down on short-terms rentals and has little interest in rewriting regulations to make them legal, while Grand Rapids is looking to go the opposite direction and make short-term rentals easier. It seems many of these places are in a holding pattern while exploring what new regulations could look like.

Short term rental advocates propose allowing these short term rentals in residential districts with an easy to complete registration with the city, a modest permit fee of \$200-\$400, and the payment of all applicable taxes. Detractors seek an outright ban noting the issues I stated above, plus concerns that short term rentals pull housing out of the long term rental market and short term rentals unfairly take business from hotels and traditional bed and breakfast establishments. The key is making regulations which are clear, easily enforced, and do not make residents out to be scofflaws unnecessarily. The use of these sites is growing and shows no sign of slowing down, making it a drain for communities to enforce blanket prohibitions or onerous regulations. As of right now I was only able to locate two communities – Madison and Austin – which have changed their regulations recently in response to these sites, but several of the communities I mentioned above are currently in the process of writing new regulations and more examples will be available soon.

I hope you find this material helpful! Thank you for using the PAS Inquiry Answer Service, and please let us know if we can be of further assistance. **Please return the Outlook read receipt attached to this message or otherwise let us know that you have received this Inquiry Response.**

### **Resources Regulating Short-Term Rentals:**

**Hutchinson, Nate. 2002. "Short-Term Vacation Rentals: Residential or Commercial Use?" *Zoning News*, March. PDF attached.**

- This broad overview includes detailed information on several vacation or resort-oriented communities with and without short-term rental restrictions.

**Robinson and Cole. 2011. *Short-Term Rental Housing Restrictions*.** Prepared for National Association of Realtors. Available at

<http://www.realtor.org/sites/default/files/reports/2011/short-term-rental-housing-restrictions-white-paper-2011-09.pdf>

- White paper examines short-term rental restrictions, looking at impacts of rentals, legal issues raised by restrictions, and strategies for regulating these units.

**Short Term Rental Advocacy Center.** Website available at <http://www.stradvocacy.org/> .

- Information clearinghouse created by partnership of Airbnb, HomeAway, TripAdvisor, and FlipKey to help develop smart regulations to "responsibly foster this growing industry."
- Offers best practices for regulating short-term rentals; see resources at <http://www.stradvocacy.org/the-issues-2/>

### **Examples of Zoning Standards in Response to Internet Sites (AirBNB, VRBO, etc)**

**Austin (Texas),** City of. 2013. *An Ordinance Amending City Code Chapters 25-2 And 25-12 Relating To The Regulation Of Short-Term Rental Residential Uses And Other Regulated Lodging Establishments; Authorizing The Limited Refund Or Credit For Certain Fees Paid; And Waiving The Review Requirement Of Section 25-1-502.* Available at <http://www.austintexas.gov/edims/document.cfm?id=199458>

- Ordinance took effect January 1, 2014 and now allows short term rentals in multiple districts, including single family home districts, with license requirements, \$285 fee, inspection requirements, and tax requirements.
- City created a web page for citizens who want to rent out their homes short term. <http://www.austintexas.gov/str>

**Madison (Wisconsin),** City of. 2013. *Amending Sections 28.032, 28.061, 28.072, 28.082, 28.091 28.151, and 28.211 of the Madison General Ordinances to add Tourist Rooming House to the Zoning Code.* Available at

<http://www.cityofmadison.com/council/documents/31136.pdf>

- The City has become increasingly aware of websites such as VRBO and AirBnB that facilitate short-term rentals of private homes. The current zoning code does not specifically address these rentals. Under state law, such establishments are required to be licensed and to pay room tax just as hotels and bed and breakfast establishments do. This new ordinance establishes these rentals as a conditional use in all districts, requires licensure, registration with the treasurer's office, payment of room tax, and a 500-foot spacing requirement.

### **Examples of Zoning Standards for Short-Term Rentals**

**Blowing Rock (North Carolina)**, City of. 2012. Town Code. Chapter 16. Land Use Ordinance. Article 2. Basic Definitions and Interpretations. Article 9. Zoning Districts and Zoning Map. Section 16-9.3.1. Short-Term Rental Overlay District. Available at [http://www.townofblowingrock.com/app\\_forms/chapter16.pdf](http://www.townofblowingrock.com/app_forms/chapter16.pdf)

- "Short-Term Rental of a Dwelling Unit. The rental, lease, or use of an attached or detached residential dwelling unit for a duration that is less than 28 consecutive days. Short-term rental use does not include rooming houses, boarding houses, or bed and breakfast establishments, which are specifically addressed as separate uses within the Table of Permissible Uses."
- Section 16-139 authorizes the creation of an overlay district for short-term rentals in two multi-family residential districts.
- "The area proposed for the short-term rental district may only include an existing or proposed multi-family residential complex that has a homeowner's or property owner's association with the authority to regulate or manage short-term rental uses within the complex." (Section 16-139(4)(c))
- Short-term rentals in single-family homes are not allowed.

**Chattanooga (Tennessee)**, City of. 2013. *Zoning Code*. Article II. Definitions. Available at <http://www.chattanooga.gov/city-council-files/CityCode/38%20-%20Zoning.pdf>

- "Short-Term Vacation Rental: A single family detached dwelling unit that is rented in part or its entirety on a daily or weekly basis for not more than 30 days for overnight stay where a permanent residence is not established (mailing address, vehicle registration, etc.) and are generally advertised or otherwise held out to the public. Short-Term Vacation Rentals are also sometimes referred to as 'tourist homes' or 'short-term residential rentals' and advertised as such. Short-Term Vacation Rentals do not include hotels, motels, or bed and breakfast establishments. Short-Term Vacation Rentals are only permitted in zoning districts that specifically list them as a permitted use, provided that:  
(1) There shall be no signage.  
(2) The residence shall not be rented for events such as weddings, business meetings, or other such group events.  
(3) There shall be no more than five (5) sleeping rooms."
- Short term rentals are permitted in R-3 and R-4 districts.

**Durango (Colorado)**, City of. 2013. *Code of Ordinances*. Chapter 27. Land Use and Development Code. Article 10. General Regulations. Section 10-1-27. Vacation home rentals. Article 15. Definitions. Available at: <http://library.municode.com/index.aspx?clientId=11771&stateId=6&stateName=Colorado&customBanner=11771.jpg&imageclass=L&cl=11771.txt>.

- "Vacation home rental: One (1) or more dwelling units, including either single-family, detached or multi-family attached unit, rented for the purpose of overnight lodging for a period of not less than one (1) day and not more than twenty (28) days, other than an on-going month-to-month tenancy to the same renter for the same unit."
- "Vacation rentals within the city have generated a considerable number of complaints involving excessive noise, overcrowding, illegal vehicle parking and accumulation of refuse at such locations. The transitory nature of occupants of vacation rental homes makes continued enforcement against the occupants difficult. The provisions of this chapter are necessary to prevent the continued burden on services and impacts on residential neighborhoods posed by vacation rental homes. Special regulation of these uses is necessary to ensure that they will be compatible with surrounding residential

uses and will not act to harm and alter the neighborhoods in which they are located.” (Section 10-1-27(a)(1))

- “Maintenance of Durango's existing residential neighborhoods is essential to its continued economic strength. It is the intent of this section to minimize the impact of vacation rentals on adjacent residences, and to minimize the impact of the commercial character of vacation rentals.” (Section 10-1-27(a)(2))
- Detailed standards addressing permitting process, location of vacation rentals, occupancy levels, signs, parking, etc.

**Estes Park (Colorado)**, Town of. 2013. *Estes Valley Development Code*. Chapter 5. Use Regulations. Section 5.1. Specific Use Standards. Part B. Bed and Breakfast Inn and Vacation Home. Chapter 13. Definitions. Section 13.2. Use Classifications/Specific Use Definitions and Examples. Available at <http://www.colocode.com/estesvalley.html>.

- “*Vacation Home*. A residential dwelling unit that is rented, leased or occupied for accommodations purposes for compensation for terms of less than thirty (30) days.”
- Section 5.1.B contains specific permit requirements and development standards for vacation homes.

**Islamorada (Florida)**, Village of. 2013. *Code of Ordinances*. Chapter 30. Land Development Regulations. Article VI. Specific Use Restrictions. Division 6. Vacation Rentals. Available at <http://library.municode.com/index.aspx?clientId=19975>

- “The intent and purpose of this division is to protect single family homes and residential neighborhoods from the adverse impacts of vacation rental uses; to limit new vacation rental properties to residential conservation, residential low, residential high, mixed use and airport future land use map category areas where vacation rental uses are compatible; and to provide a reasonable period of time for the amortization of existing vacation rental uses within residential areas where the continuation of such uses are not compatible with the character of the neighborhoods and the quiet enjoyment of residential properties therein.” (Section 30-291)
- “*Vacation rental unit* means a single-family or multi-family residential dwelling unit or mobile home that operates for vacation rental use.”
- “*Vacation rental use* means a use of a single family or multi-family residential dwelling unit or mobile home that is rented, leased or exchanged for a period of 28 days or less, also referred to as transient rental use pursuant to the village comprehensive plan.”
- The specific provisions in this division cover both development standards and local licensing requirements.
- Section 30-1297, Vacation rental use and occupancy restrictions, contains provisions related to number of occupants, number of cars and boats allowed to be kept on a vacation rental property, maintenance, etc.

**Key West (Florida)**, City of. 2013. *Code of Ordinances*. Subpart B. Land Development Regulations. Chapter 86. General Provisions. Section 86-9. Definition of terms. Chapter 122. Zoning. Article V. Supplementary District Regulations. Division 7. Transient Living Accommodations in Residential Dwellings. Available at <http://library.municode.com/index.aspx?clientId=10053>

- “Transient living accommodations or transient lodging. Any unit, group of units, dwelling, building, or group of buildings within a single complex of buildings, which is 1) rented for a period or periods of less than 30 days or one calendar month, whichever is less; or which is 2) advertised or held out to the public as a place rented to transients, regardless of the occurrence of an actual rental. Such a short-term rental use of or within a single-family dwelling, a two-family dwelling or a multifamily

dwelling (each also known as a "residential dwelling") shall be deemed a transient living accommodation."

- Article V, Division 7 contains detailed development and operations standards for short-term leasing of property in residential districts.
- Also see the licensing requirements referenced below.

**Monroe (Florida)**, County of. 2013. *Code of Ordinances*. Part II. Land Development. Chapter 101. General Provisions. Section 101-1. Definitions. Chapter 130. Land Use Districts. Article III. Permitted and Conditional Uses. Chapter 134. Miscellaneous Restrictions. Article I. In General. Section 134-1. Vacation rental uses. Available at <http://library.municode.com/index.aspx?clientId=14298&stateId=9&stateName=Florida>.

- "Vacation rental or unit means an attached or detached dwelling unit that is rented, leased or assigned for tenancies of less than 28 days duration. Vacation rental use does not include hotels, motels, and RV spaces, which are specifically addressed in each district."
- Vacation rentals are permitted by right subject to the specific standards in Section 134-1 in many residential and commercial districts.
- Section 134-1 details the procedures for obtaining a special vacation rental permit and includes operations and development standards.
- Provisions address the number of watercraft and vehicles allowed at a rental site, noise, and property maintenance.

**San Luis Obispo (California)**, County of. 2012. *Municipal Code*. Title 23. Coastal Zone Land Use. Chapter 23.08. Special (S) Uses. Section 23.08.165. Residential vacation rental. Chapter 23.11. Definitions. Available at <http://library.municode.com/index.aspx?clientId=16608>

- "Purpose. The purpose of this section is to establish a set of regulations applicable to residential vacation rentals. These regulations are in addition to all other provisions of this title. In the adoption of these standards the board of supervisors find that residential vacation rentals have the potential to be incompatible with surrounding residential uses, especially when several are concentrated in the same area, thereby having the potential for a deleterious effect on the adjacent full-time residents. Special regulation of these uses is necessary to ensure that they will be compatible with surrounding residential uses and will not act to harm and alter the neighborhoods they are located within." (Section 23.08.165(1))
- Section 23.08.165 addresses permits, occupancy levels, parking, noise, signs, and local contact person requirements for short term rentals.
- San Luis Obispo is currently exploring ways to liberalize their regulations – see news story from November 2013 at <http://www.sanluisobispo.com/2013/11/12/2780364/short-term-vacation-rentals-okd.html>

**Sanibel (Florida)**, City of. 2013. *Code of Ordinances*. Chapter 126. Zoning. Article XII. Resort Housing District. Article XIV. Supplementary District Regulations. Division 7. Resort Housing. Available at <http://library.municode.com/index.aspx?clientId=10937>

- "Resort housing and longer term residential uses are generally incompatible. The rapid turnover in occupancy associated with resort use can be a disruptive influence on the peaceful use and enjoyment of residential areas. For purposes of this discussion, nonresort housing shall be referred to as residential housing or use." (Section 126-632(1))
- Sanibel has created a floating zone designation for resort housing.
- Applicants for the resort housing district designation must comply with the development standards in Section 126-635 and Section 126-636.

- "Where resort housing is a permitted use in compliance with this Code, including the requirements of article XII of this chapter, there is no limit to the frequency of change or length of stay of occupants or tenants. Where resort housing is not a permitted use or is not in compliance with this Code, including the requirements of article XII of this chapter, dwelling units may not be made available for rental for periods of less than four consecutive weeks." (Section 126-1076(b))

**Santa Fe (New Mexico)**, City of. 2011. Land Development Code. Article 14-6. Permitted Uses and Use Regulations. Section 14-6.2. Use-Specific Standards. Article 14-12. Definitions. Available at <http://clerkshq.com/default.ashx?clientsite=SantaFe-nm>.

- "SHORT TERM RENTAL UNIT A dwelling unit or accessory dwelling unit rented for less than 30 days per §14-6.2(A)(6)."
- Section 14-6.2(6)(a) contains operations and development standards for short term rentals.
- Standards address location, minimum rental periods (no more than one rental per seven days), parking, and occupancy.
- Owner must obtain a permit in order to rent short term.

**South Haven (Michigan)**, City of. 2012. *Zoning Ordinance*. Section 201. Definitions. Section 1738. Hotels, Motels and Short Term Dwelling Unit Rentals. Available at [http://www.south-haven.com/pages/building\\_services/pdf/zoning\\_ordinance.pdf](http://www.south-haven.com/pages/building_services/pdf/zoning_ordinance.pdf).

- "Lodging Rental: A lodging unit secured for transient or temporary occupancy for compensation which may include but is not limited to, daily fees for a hotel room, motel room, bed and breakfast-room, or residential dwelling unit." (Section 201)
- "Hotels and motels are intended to furnish temporary lodging to the traveling public. Because lodging units are not intended to be permanent residences, some dwelling unit requirements will not apply. It is therefore important to differentiate between transient and other uses in order to prevent permanent residence in housing that does not meet dwelling unit requirements, and also to regulate housing in accordance with zoning district requirements. In cases where temporary and permanent housing exist upon the same site, hotels and motels must satisfy requirements for both uses. Any residential dwelling unit which is rented for a period of less than 48 hours, or offered or advertised as a daily rental shall be considered a lodging unit, and shall meet the appropriate building and fire codes for a lodging unit, and shall be permitted only in zoning districts which permit hotels, motels or bed and breakfast uses." (Section 1738)
- Short-term rentals in single-family homes must comply with the standards in Section 1738.

**Tillamook (Oregon)**, County of. 2009. "Ordinance #69 – Short Term Rental Ordinance." Available at <http://www.co.tillamook.or.us/gov/comdev/documents/str/Ordinance%2069.pdf>.

- "Short Term Rental. A dwelling unit (including any accessory guest house on the same property) that is rented to any person on a day to day basis or for a period of time of up to thirty (30) consecutive nights."
- Detailed short term rental ordinance. Owners must have a permit. Short term rentals are subject to a number of standards related to noise levels, maintenance and construction (see Section 6)



## **Examples of Licensing Requirements for Short Term Rentals**

**Bal Harbour (Florida)**, Village of. 2013. *Code of Ordinances*. Chapter 21, Zoning; Article IV, Supplementary District Regulations; Section 21-263, Vacation Rental Uses. Available at <https://library.municode.com/index.aspx?clientId=10384> .

- Ordinance to regulate rental of dwelling units by seasonal residents. Business tax receipt required; Vacation Rental certificate required for each rental period. Limit of 2 certificates within 12-month period. Includes certificate application requirements; inspection of unit required. Each unit must have designated Vacation Rental agent (may be the owner).

**Dania Beach (Florida)**, City of. 2013. *Code of Ordinances*. Chapter 16, Vacation Rentals. Available at <https://library.municode.com/index.aspx?clientId=10626> .

- Covers vacation rentals of 5 nights or longer within single-family, two-family, three-family, and four-family dwellings. Vacation rental certificate required with annual certification fee. Provides requirements for certificate application; inspection of unit required. Provides standards for vacation rental agents, and requirements for vacation rental occupants (limited to 2 persons per bedroom plus two persons, up to a maximum of 10 people). Written agreement required.

**Doral (Florida)**, City of. 2013. *Code of Ordinances*. Chapter 5, Buildings and Building Regulations; Article V, Regulations for Vacation Rentals; Section 5-271, Short term rental of single-family dwellings, two-family dwellings, multi-family dwellings, and townhomes. Available at <https://library.municode.com/index.aspx?clientId=14386> .

- Regulates rentals of dwelling units for periods from 7 days to 6 months. Registration is required for each rental period, up to 3 within a 12-month period. Includes requirements for applications; fee required. Standards address parking, noise, garbage pickup, fire protection, trespassing, and maximum occupancy (2 people per available bed, 8 maximum). Penalties for violations start at \$500 and go to \$7,500 or injunctive relief for 4 or more violations within a 12-month period.

**Marathon (Florida)**, City of. 2013. *Code of Ordinances*. Chapter 8, Businesses; Article II, Vacation Rentals. Available at <https://library.municode.com/index.aspx?clientId=13811> .

- Renting a dwelling unit for between 7 nights and 28 nights is allowed with a vacation rental property license.
- Owners and agents must complete annual city vacation rental training session and obtain a certificate of completion to obtain annual license.
- Sets general provisions covering cleanliness, contact information, parking. Complaints must be responded to within 1 hour. Noise limits set between 10pm and 7am. Covers signage and notification requirements.

**Encinitas (California)**, City of. *Code of Ordinances*. Title 9, Public Safety, Peace, and Welfare; Section 9.38, Regulating Short-Term Rentals (Ordinance 2006-05). Available at <http://archive.ci.encinitas.ca.us/WebLink8/DocView.aspx?id=653821&dbid=0> .

- Short-term rental permit required. Provides list of operational requirements. Owners must make "best efforts" to prevent noise, disturbances, disorderly conduct, or code violations by renters; must respond to any complaints within 2 hours and take action within 24 hours. Limit of 2 persons per bedroom plus one additional person per dwelling. Guests may not exceed designated parking spaces. Trash must be stored out of public view except on pick-up days. Permits must be displayed on interior and exterior, and neighbors provided with owner contact information.



**Key West (Florida)**, City of. 2013. *Code of Ordinances*. Subpart A. General Ordinances. Chapter 18. Businesses. Article XI. Transient Rentals. Division 2. Residential Property. Available at

<http://library.municode.com/index.aspx?clientId=10053&stateId=9&stateName=Florida>.

- Business tax receipt required for property owners to lease residential properties for less than 30 days/1 calendar month.

**Morro Bay (California)**, City of. 2012. *Code of Ordinances*. Title 5, Business Licenses and Regulations; Chapter 5.47, Short-Term Vacation Rental Permit. Available at

<https://library.municode.com/index.aspx?clientId=16505> .

- Regulates the renting of a dwelling unit for 30 consecutive days or less. Short-term vacation rental permit required with annual fee. Applicants responsible for the conduct of their tenants and proper trash collection. Complaints must be responded to within 4 hours. Violations are penalized, with the 4<sup>th</sup> violation in 12 months leading to permit revocation for one year.

**Port Royal (South Carolina)**, Town of. 2012. *Code of Ordinances*. Chapter 12. Licenses and Business Regulations. Article V. Short-term Rentals. Available at

<https://library.municode.com/index.aspx?clientId=12245> .

- Short-term rentals require occupational license, accommodation tax payments.
- Details a point system used to handle noise, parking, disorderly conduct, or unsanitary conditions violations that occur on rental properties; 16 points within 12 months or 24 points in 24 months leads to suspension of license for 12 months; record cleared after 24 months.

**Saco (Maine)**, City of. 2013. *City Code*. Part II. General Legislation. Chapter 173. Seasonal Property Rental. Available at <http://www.ecode360.com/?custId=SA1647>.

- Requires City inspections of short-term residential rental units for safety reasons. Weekly or monthly rentals permitted, daily rental prohibited. Rentals limited to residences in certain areas. License required; detailed conditions required for approval.

**San Buenaventura (California)**, City of. 2013. *Code of Ordinances*. Division 6, Business Regulations; Chapter 6.455, Short-Term Vacation Rentals. Available at

<https://library.municode.com/index.aspx?clientId=10135> .

- Short-term rentals of no more than 30 consecutive days require a permit. Advertisements for unit must include permit number. Application includes nuisance response plan, transient occupancy registration license and business tax certificate, surety bond for \$1,500, and application fee.
- Nuisance response plan includes requirements for owner to contact renters within 30 minutes of complaint and complainants within 45 minutes of complaint.
- Establishes performance standards covering code compliance, contact information, minimum stays of 7 nights between June and August and 2 nights at other times of the year. Occupants limited to 2 persons per bedroom. Leases must include information on parking, noise restrictions, trash pickup, quiet hours, "good neighbor guidelines." Lists acts considered to be violations.

**Solana Beach (California)**, City of. 2013. *Municipal Code*. Title 4. Business Taxes, Licenses and Regulations. Chapter 4.47. Short-Term Vacation Rental Permit. Available at <http://www.codepublishing.com/ca/SolanaBeach/>.

- Annual short-term rental permit required for rental durations of less than 30 days. Rentals of fewer than 7 days prohibited. Owners are responsible for ensuring that renters do not cause problems or violate codes; must respond to complaints within 24 hours. \$500 penalty for 1<sup>st</sup> violation within 12 months; \$1000 penalty for 2<sup>nd</sup> violation; 3<sup>rd</sup> violation causes permit to be revoked for one year. Interior and exterior rental displays required.

Best Regards,

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